

Clenns Montali

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

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1 STUART SCHOENMANN, Individually )  
and as Executor of the Probate )  
2 Estate of Donn R. Schoenmann, )  
CELESTE LYTTLE; BETH SCHOENMANN; )  
3 and COLETTE SIMS, )  
4 Defendants. )  
\_\_\_\_\_ )

6 **MEMORANDUM DECISION REGARDING CONSOLIDATED ADVERSARY PROCEEDINGS**  
7 **AND REMAINING MAJOR ISSUES IN BANKRUPTCY CASE**

8 **I. INTRODUCTION<sup>1</sup>**

9 These consolidated adversary proceedings and underlying  
10 bankruptcy case span many years, many counsel, and many  
11 interrelated requests, decisions, and appeals of those  
12 decisions. This Memorandum Decision sets forth a brief history  
13 of relevant matters and disposes of significant outstanding  
14 issues in a way that allows for a possible conclusion of  
15 bankruptcy-related matters and a long-anticipated return to  
16 state court for final decision making on the rest.

17 The outstanding issues to be disposed of are the following:

- 18 1. Dissolution of the Sequestration Order (Main Case Dkts. 156  
19 and 315)<sup>2</sup> and protection of the funds in the accounts that  
20 are subject to the Sequestration Order ("Sequestered  
21 Funds"). The Sequestered Funds are:

- 22 • The funds held in an ERISA qualified Profit-Sharing  
23 Plan ("Profit Sharing Plan") (First Republic Bank  
24

25 \_\_\_\_\_  
26 <sup>1</sup> The court has read all submissions from the parties, has made  
27 its own changes, and concludes that no further hearing is  
28 necessary and this Memorandum Decision and corresponding orders  
reflect its final decisions.

<sup>2</sup> "Main Case" means Lynn's bankruptcy case, No. 22-30028.

1 account '1525) totaling approximately \$388,959 as of  
2 August 2022, which are now held with the Bank of Marin  
3 certificate of deposit account '9318 in the amount of  
4 \$393,166.55. Debtor<sup>3</sup> contends that these funds are not  
5 property of her bankruptcy estate and are immune from  
6 attack by anyone.

- 7 • The funds held in an Individual Retirement Account  
8 ("IRA") (First Republic Bank account '1556) totaling  
9 approximately \$118,637 as of August 2022, which are  
10 now held in Bank of Marin certificate of deposit  
11 account '3533 in the amount of \$132,214.97. Debtor  
12 contends these funds stem entirely from an inheritance  
13 from her brother, who passed away nine months after  
14 Donn. Petitioners contend they are entitled to these  
15 funds, and may seek a determination of their rights  
16 from the Probate Court without violating Debtor's  
17 discharge.
- 18 • The funds formerly held in Wells Fargo Bank account  
19 '1661, which was opened to deposit the IRA's Required  
20 Minimum Distribution ("RMD") for the year 2022,

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21  
22 <sup>3</sup> Most of those involved or relevant to this case share the same  
23 last name. For the sake of clarity, the court will refer to the  
24 parties in the following manner:

- 24 a. E. Lynn Schoenmann: "Debtor" or "Lynn."
- 25 b. The late Donn Schoenmann and his probate estate: "Donn"  
26 or "probate estate."
- 27 c. Stuart Schoenmann, personally and as executor of the  
28 probate estate; state court probate petitioners Celeste  
Lytle, Beth Schoenmann, and Collette Sims: "Stuart  
Schoenmann," "Stuart," or, for clarity's sake,  
collectively, "Petitioners."

1 totaling \$23,070.03 (Main Case Dkt. 314). These funds  
2 are now held in a Bank of Marin certificate of deposit  
3 account in the amount of \$19,384.88.

- 4 • The funds formerly held in Bank of Marin certificate  
5 of deposit account '0799, which was opened to deposit  
6 the 2023 RMD of the IRA in the amount of \$18,959.81  
7 (Main Case Dkt. 630), now held in a Flagstar Bank  
8 certificate of deposit account in the amount of  
9 \$18,405.65.
- 10 • The funds formerly held in the Bank of Marin  
11 certificate of deposit account '9279, which was opened  
12 to deposit the 2024 RMD of the IRA in the amount of  
13 \$18,405.65 (Main Case Dkt. 640), now being held in a  
14 Flagstar Bank certificate of deposit account in the  
15 amount of \$23,068.14.<sup>4</sup>

16 2. Possible division in favor of the probate estate of the  
17 cash on hand currently held by the chapter 7 Trustee, which  
18 is comprised of:

- 19 • \$922,482.08 from the sale of three pieces of real  
20 property previously co-owned by Debtor and Donn's  
21 probate estate. That amount is 50% of the net sale  
22 proceeds, less Debtor's allowed and paid Homestead  
23 exemption, with the other 50% already having been paid  
24 to Donn's estate pursuant to stipulations to move  
25 forward with those sales.

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26  
27 <sup>4</sup> The court notes, without further commentary, the discrepancies  
28 between the amount of each year's RMD at the time of deposit and  
listed by Debtor in her Response (AP No. 22-3105 Dkt. 58).

- \$20,000 of cash paid by the Petitioners for certain appellate rights previously held by the Trustee.
- \$73,982.19 (\$92,397.58 minus \$18,415.39 from a Business DIP Account since abandoned by the Trustee) collected by the Trustee while administering the bankruptcy.

The court will take each issue, along with the critical history behind them, in turn.

## II. Preliminary Concerns

For the benefit of any future state or federal court audience, the court briefly describes certain critical concepts that are relevant to the bankruptcy process, the Main Case and these consolidated adversary proceedings.

When an individual files bankruptcy, most of that person's assets become **property of the estate** ("POE") by virtue of Section 541.<sup>5</sup> Some of that individual's assets, however, are excluded from POE because of some other law such as ERISA. In this case the significant property so excluded is the Profit-Sharing Plan.

An individual debtor is entitled to carve out from POE assets that may be claimed as **exempt** under Section 522. Creditors and the Trustee are entitled to object to those exemptions.

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<sup>5</sup> Unless otherwise indicated, all chapter, section and rule references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532, and to the Federal Rules of Bankruptcy Procedure, Rules 1001-9037.

1       The Petitioners timely filed objections to Lynn's claimed  
2 exemptions; the Trustee did not.

3       A point of potential confusion is that in practice, debtors  
4 sometimes list property that never became POE in their  
5 bankruptcy schedules with their exemptions, as there may not be  
6 any other convenient place to identify assets they assert as  
7 their own, even though those assets, not being POE, cannot be  
8 exempted from the bankruptcy estate because the assets were  
9 never in the bankruptcy estate to begin with.

10       Another point of confusion may arise when a debtor claims  
11 as exempt, assets that individual does not even own. A  
12 creditor, to protect its position, will object to the claimed  
13 exemption because the debtor has no right to that asset at all,  
14 the creditor contending that it is neither POE nor the debtor's  
15 property that did not become POE.

16       A chapter 7 trustee or other interested party may seek to  
17 **abandon** POE that is burdensome or of inconsequential value  
18 pursuant to Section 554. Section 554(c) clarifies that property  
19 that is properly scheduled under Section 521(a)(1) and not  
20 otherwise administered is abandoned to the debtor upon closing  
21 of the bankruptcy case. That section is silent on the impact on  
22 claimed exemptions that have been objected to prior to  
23 abandonment by someone other than the Trustee, as is the  
24 situation here.

25       Another point of possible confusion here has to do with  
26 **cash collateral**. Under Section 363(a), cash collateral is  
27 defined as cash or cash equivalent, and the proceeds thereof, in  
28 which both the bankruptcy estate and another entity claim an

1 interest. The most common example of cash collateral is rent  
2 from a real property in which the mortgage contains a clause  
3 assigning the rents to the mortgage creditor. The term is not  
4 interchangeable with any cash that is either owned by the  
5 debtor, or that a creditor asserts is owned by the creditor and  
6 wrongfully being retained by the debtor.

### 7 **III. Relevant Case History**

8 Lynn and Donn were married from 1993 until Donn's death in  
9 2018. Upon Donn's passing in 2018, a probate was opened and the  
10 Petitioners challenged the validity of a Post-Marital Agreement  
11 ("PMA") that granted the right of survivorship to Lynn in nearly  
12 all community property held by the couple during the marriage.  
13 On December 27, 2021, after a ten-day trial, the probate court  
14 entered a Tentative Decision and concluded that the PMA was a  
15 product of undue influence by Lynn against Donn, that Lynn had  
16 abused Donn, and that the PMA was invalid as a result. The  
17 result of that Tentative Decision meant that at the time of  
18 Donn's death, Lynn only owned her 50-percent share of the  
19 community, with the other 50-percent going to Donn's probate  
20 estate to be divided among his heirs.

21 Prior to the Tentative Decision becoming final, on January  
22 14, 2022, Lynn filed bankruptcy. Almost immediately,  
23 Petitioners sought relief from the automatic stay of Section  
24 362(a) to allow the Tentative Decision to become final and to  
25 complete the remainder of the probate litigation against Lynn  
26 (Main Case Dkt. 24).

1 After a hearing on the request for relief from stay held on  
2 March 10, 2022, the court continued the matter to April without  
3 explicitly granting or denying the request.

4 At the same time Lynn fought the request for relief from  
5 stay, she requested permission from the court to hire special  
6 appellate counsel to seek a "prompt appeal of the Tentative  
7 Decision." (Main Case Dkt. 45). The court granted the request  
8 (Main Case Dkt. 49).

9 Lynn also sought the employment of more special litigation  
10 counsel (Main Case Dkt. 54), to work with her probate court  
11 counsel in anticipation of filing an adversary proceeding to  
12 determine the extent of ownership of Lynn claimed to be POE.  
13 Petitioners opposed, and the court ultimately granted the  
14 request (Main Case Dkt. 64). At the same hearing, the court  
15 also deferred granting relief from stay in favor of determining  
16 the extent of POE via the forthcoming adversary proceeding.

17 On May 16, 2022, Lynn filed Adversary Proceeding No. 22-  
18 3024 to determine the extent of ownership of four pieces of real  
19 property she claimed were owned by her at the time of  
20 bankruptcy: a residence and adjoining lot located in Idyllwild,  
21 California ("Idyllwild Property"); a residence located in Mill  
22 Valley, California ("Mill Valley Property"); and a condominium  
23 located in Scottsdale, Arizona ("Scottsdale Property").  
24 Ultimately, the court determined that the joint tenancy deeds  
25 were void, the real properties were held as tenants in common at  
26 the time of Donn's death (and later at the time Debtor filed  
27 bankruptcy) (the "Quiet Title Judgment"), and that the real  
28 properties were subject to administration in Lynn's bankruptcy



(AP No. 22-3024, Dkts. 21-22). The court's Quiet Title Judgment was affirmed on appeal to the District Court. By that time, the case had been converted, and the chapter 7 Trustee stood in Lynn's shoes as the proper appellant. The Trustee appealed the District Court's decision to the Ninth Circuit, and he later voluntarily dismissed his appeal after he sold his appellate rights to Petitioners. The sale proceeds are part of the cash on hand currently held by the Trustee as described above.

On June 2, 2022, Petitioners filed an objection to Lynn's claims of exemptions (Main Case Dkt. 82). In her bankruptcy schedules, Lynn claims exemptions in the entire amount of the following accounts:

ACCOUNT	STATED VALUE
First Republic '1556 IRA	\$135,561.16
First Republic '1525	\$445,436.60
First Republic '3581	\$48,651
First Republic '1460 Aho Family Trust	\$244,744.40

The first two accounts are subject to the Sequestration Order described below, while the second two are not.

On June 24, 2022, Lynn filed a Motion for Authority to Use Specified Cash Accounts (Main Case Dkt. 96).<sup>6</sup> That Motion sought authority to use cash in two Well Fargo accounts that were not subject to the exemption objection and not subject to the later entered Sequestration Order. The cash in those accounts, according to Lynn, consisted of post-petition earned income and the proceeds of a COVID Economic Injury Disaster Loan.

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<sup>6</sup> Debtor referred to "cash", not "cash collateral", but the docket text referring to the Motion uses the term cash collateral".

1       The Small Business Administration objected (Main Case Dkt.  
2 112). That objection was resolved (Main Case Dkt. 136) and is  
3 not relevant to the remaining disputes between Lynn and  
4 Petitioners or the Trustee and Petitioners.

5       Petitioners also objected and requested further relief in a  
6 "Motion To Prohibit Or Condition Debtor's Use Of Cash Collateral  
7 And For Adequate Protection" (Main Case Dkt. 104) even though  
8 Petitioners did not have a specific interest in cash collateral.  
9 In response and after the court indicated that sequestering  
10 funds until the probate estate's ownership could be established  
11 was appropriate, Lynn filed an Adequate Protection Proposal  
12 (Main Case Dkt. 150). That Adequate Protection Proposal offered  
13 to sequester the funds in her Profit-Sharing Plan and her IRA  
14 with a waiver of any exemption or any comparable right should  
15 the Sequestered Funds be distributed to the probate estate. The  
16 Adequate Protection Proposal also made clear Lynn was unwilling  
17 to sequester the funds in the Aho Family Trust. The Adequate  
18 Protection Proposal ends with the line "cash is fungible, and  
19 Lynn's proposal adequately protects any interest the court  
20 believes should be protected."

21       After the Adequate Protection Proposal was filed and  
22 another hearing on the matter was held, the parties agreed to,  
23 and the court entered, the Sequestration Order (Main Case Dkt.  
24 156). In that Order, Lynn stipulated to not use the Sequestered  
25 Funds until a later date, when probate issues were further  
26 resolved. The Sequestration Order states at Paragraph 3, "This  
27 Order specifically acknowledges Debtor's offer that, should the  
28 Court subsequently determine it necessary and appropriate to

1 require a distribution of the Sequestered Funds, the Debtor will  
2 waive any exemption or comparable right which might impede  
3 implementation of such determination."

4 Paragraph 5 of the Sequestration Order further states:  
5 "Nothing contained in this Order or the relief granted by it  
6 shall be deemed to implicate or rule upon the merits or  
7 substance of the contentions of the Debtor or of Stuart  
8 Schoenmann. This Order is entered as an exercise of the Court's  
9 plenary control over the administration of the above estate."  
10 The Sequestration Order was later expanded to encompass the 2022  
11 RMD distribution of IRA funds (Main Case Dkt. 315), the 2023 RMD  
12 (Main Case Dkt. 630), and the 2024 RMD (Main Case Dkt. 640).

13 On September 6, 2022, Petitioners filed Adversary  
14 Proceeding No. 22-3015, which is part of these consolidated  
15 adversary proceedings. The underlying complaint sought an  
16 accounting of the amount and location of Donn's separate  
17 property being held by Lynn, as well as former community  
18 personal property, cash, and rents that belonged to Donn's  
19 probate estate that were being held by Lynn. The complaint also  
20 sought delivery of Donn's separate property and all former  
21 community property, cash, and rents that belonged to Donn's  
22 estate. Lynn and the Petitioners agreed to continue a scheduled  
23 status conference to allow two other related adversary  
24 proceedings (one not relevant to this Memorandum Decision) to  
25 conclude. That continuance lasted until March 2024.

26 Meanwhile, on April 24, 2023, Lynn filed Adversary  
27 Proceeding No. 23-3017 to sell the Mill Valley Property.  
28 Documents related to the sale were filed both in Adversary

1 Proceeding No. 23-3017 and the Main Case. Ultimately, the court  
2 approved a sale in August 2023, with 50% of the net sale  
3 proceeds, or \$1,064,468.94, being paid to the probate estate  
4 (See Main Case Dkt. 340, AP No. 23-3017 Dkt. 25).

5 On September 7, 2023, the case was converted to chapter 7  
6 and the Trustee commenced carrying out his duties in  
7 administering the bankruptcy estate.

8 On March 22, 2024, the court held a hearing that  
9 encompassed a request by Lynn to dissolve the Sequestration  
10 Order (Main Case Dkt. 485) and doubled as a status conference in  
11 consolidated Adversary Proceeding No. 22-3015.

12 On March 27, 2024, the court authorized the sale of the  
13 Scottsdale Property (Main Case Dkt. 523). That authorization  
14 included approval of a stipulation between the Trustee and  
15 Stuart that the probate estate would receive fifty percent of  
16 net sale proceeds (Main Case Dkt. 499).

17 On April 1, 2024, the court approved the Trustee's request  
18 to abandon any interest (if any) the bankruptcy estate may have  
19 had in the Profit Sharing Plan (Main Case Dkt. 526). That  
20 approval made clear that the abandonment did not affect the  
21 Sequestration Order in any way.

22 On September 16, 2024, Lynn filed Adversary Proceeding No.  
23 24-3035, also part of this consolidated proceeding, seeking a  
24 determination that the Profit Sharing Plan and IRA are both the  
25 sole and separate property of Lynn and for a dissolution of the  
26 Sequestration Order.

27 On December 11, 2024, the court granted the Trustee's  
28 request to abandon any interest the bankruptcy estate had in the

1 IRA and the 2022 and 2023 RMDs (Main Case Dkt. 630), though they  
2 remained subject to the Sequestration Order.

3 The same day, the court entered an Order Consolidating  
4 Adversary Proceedings 22-3105 and 24-3035 (Main Case Dkt. 632)

5 On December 18, 2024, the court authorized the sale of the  
6 Idyllwild Property (Main Case Dkt. 633). That authorization  
7 included approval of a stipulation between the Trustee and  
8 Stuart that the probate estate would receive fifty percent of  
9 net sale proceeds (Main Case Dkt. 606).

10 On August 5, 2025, the Trustee filed a motion to abandon  
11 several things, including, any interest the bankruptcy estate  
12 may have in the Aho Family Trust account (Main Case Dkt. 742).

13 In short, the bankruptcy estate no longer has (or will soon  
14 no longer have), or otherwise has not claimed an interest in any  
15 of the above-listed accounts, any other tangible and intangible  
16 assets and there is no more real property to administer.

17 The amounts in the accounts that are also subject to the  
18 Sequestration Order are dealt with in Part A of the Discussion  
19 that follows. The remaining funds, and any other assets are  
20 dealt with in Part C. The issue regarding the \$922,482.08 in  
21 real estate sale proceeds and other miscellaneous moneys held by  
22 the Trustee are dealt with in Part B.

#### 23 **IV. DISCUSSION**

##### 24 **A. The Sequestration Order**

25 The Sequestration Order maintained the status quo, much the  
26 way a traditional provisional remedy, the preliminary  
27 injunction, frequently operates. By preserving the status quo  
28 between Lynn and the Petitioners as to administration of the

1 probate estate, the court did not decide the merits of either  
2 side's contention, namely whether some or all the Sequestered  
3 Funds were exempt or not, were POE or not, or were part of the  
4 probate estate. At that time, the court's contemplation was  
5 that those questions would be decided by it, and no other court,  
6 because this court imposed the status quo via the Sequestration  
7 Order, contrary to Petitioners, who wanted to return to state  
8 court, and contrary to Lynn, who wanted free access to and use  
9 of funds that she either contended were exempt or were immune  
10 (per ERISA) from any challenge by the Trustee or Petitioners  
11 because they were not POE at all.

12       The court notes that at a recent hearing held on July 18,  
13 2025, one of Petitioners' counsel analogized the Sequestered  
14 Funds to funds subject to a secured claim. But even that  
15 assumes a perfected interest, another issue not resolved to  
16 date. No such perfected security interest or other sort of  
17 equitable property interest has been determined prior to or  
18 after Lynn's bankruptcy filing.

19       The status quo has been maintained through the  
20 administration of this bankruptcy, and the appropriate forum for  
21 any tracing and determination of who would own or be entitled to  
22 the funds subject to the Sequestration Order or other assets  
23 that have or will be abandoned is now the probate court. The  
24 status quo was maintained in lieu of sending the parties back to  
25 the probate court in 2022, and Lynn voluntarily chose the  
26 accounts subject to the Sequestration Order despite the  
27 character of those accounts to allow her bankruptcy to proceed.  
28 The status quo no longer should be maintained by this court, but

1 by the probate court to make those final determinations. There  
2 is no longer any bankruptcy purpose to be served.<sup>7</sup> There is no  
3 longer any Gordian Knot to unravel or sever.

4 B. Distribution of the Real Estate Proceeds

5 The Petitioners contend that due to Lynn's conduct prior to  
6 Donn's death and described in the probate court's Tentative  
7 Decision, that Donn's probate estate actually owns more than  
8 fifty percent of former community property, including the  
9 proceeds of the real property sales. Thus, the Petitioners  
10 apparently claim an entitlement to more proceeds from the real  
11 estate sales described above, even though the probate estate  
12 received fifty percent of the net sale proceeds at the time of  
13 each of those approved sales. There is also a question of  
14 whether the Petitioners are entitled to any portion of the  
15 Trustee's cash on hand, aside from the \$20,000 Stuart paid  
16 directly for the appellate rights described above.

17 What the Petitioners seek to do is ignore the law of the  
18 case that Petitioners themselves helped to craft. Lynn's  
19 bankruptcy filing froze in time the parties' respective rights.  
20 The music stopped then. There had not been any previous  
21 determination by the probate court that Donn's probate estate  
22 was entitled to more than half of the former community property

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23  
24 <sup>7</sup> The court notes that Lynn, via her counsel, has mentioned at  
25 various hearings in seeking to dissolve the Sequestration Order,  
26 that there are tax consequences to be borne with any  
27 distributions from the IRA and Profit-Sharing Plan. Should the  
28 Petitioners prevail, those tax consequences are Lynn's to bear.  
She is the one who made those specific accounts available for  
the Sequestration Order, even noting the fungibility of money at  
the time. She could have picked different accounts that did not  
have tax consequences if money had to be distributed.

1 at the time of his death. The court is not inclined to overturn  
2 the law of the case at the Trustee's expense.

3 The Trustee wants to proceed to determine his rights are  
4 superior in the funds he holds and should be able to do so.

5 If the probate court determines that Lynn owes Petitioners  
6 anything because no community property vested in Lynn upon  
7 Donn's death due to her alleged wrongdoings as set forth in the  
8 Tentative Decision, then that is a pre-petition debt that Lynn  
9 has discharged. The time to object to discharge has passed, as  
10 have the Section 523(a)(2), (4), and (6) deadlines. There is no  
11 deadline for other avenues of 523 the Petitioners may wish to  
12 explore. None is dealt with here.

13 C. The Disputed Accounts Not Subject to the Sequestration  
14 Order

15 The court clarifies that whatever rights Petitioners may  
16 claim in the accounts or other assets that have been subject to  
17 Lynn's claimed exemptions and their objections that were not  
18 subject to the Sequestration Order, have not been dealt with  
19 simply because the Trustee has abandoned any interest in those  
20 accounts or other assets.

21 What follows the Trustee's abandonment (or his non-  
22 objection to Lynn's claimed exemptions) is that the parties  
23 retain whatever rights they have. The court cannot determine  
24 the Debtor is immune to any claim of ownership of the funds in  
25 those accounts or other assets just because the Trustee has  
26 abandoned his interest in them. However, as noted above, those  
27 accounts are not subject to the Sequestration Order, and any  
28 determination that certain amounts in those accounts may be owed



1 to the probate estate is likely a discharged claim at this  
2 point.

3 To the extent there is a stay in place for Lynn and  
4 Petitioners to finalize who owned what former community property  
5 at the time of Donn's passing, it is being lifted by the Order  
6 that accompanies this Memorandum Decision.

7 **V. Conclusion**

8 The court is concurrently issuing two orders consistent  
9 with this Memorandum Decision. The first directs that the court  
10 will proceed to adjudicate the Trustee's objections to the  
11 Petitioners' claim to a portion of assets he holds for  
12 distribution based upon their alleged secured or ownership  
13 entitlement to some of those assets ahead of normal distribution  
14 in accordance with Section 726. The Trustee will not object to  
15 the amount of Petitioners' unsecured claims. His objections  
16 will be in the nature of a declaration of rights in the funds he  
17 holds, as interpreted by the record in this case from the  
18 January 14, 2022 date of bankruptcy, et. seq., including orders,  
19 stipulations, and other events. Any discovery will also be  
20 limited to post-January 14, 2022 events.

21 The court regrets that the parties were unable, or  
22 unwilling, to agree on a vehicle for moving the Sequestered  
23 Funds to either a jointly controlled account or some other  
24 device to ensure their safekeeping pending final agreement among  
25 the parties or a final ruling by the probate court on issues  
26 relating to those funds. It will give them one more chance to  
27 do so under their own control.

1 Debtor is to maintain the Sequestered Funds in their  
2 present locations and accounts for thirty days after the entry  
3 of the Order that accompanies this Memorandum Decision. If  
4 there is no agreement for moving them then the court retains  
5 jurisdiction to control them and Debtor is ordered to transfer  
6 them by cashier's check(s) or by certified bank check(s) payable  
7 to the Clerk, U. S Bankruptcy Court, Northern District of  
8 California, 450 Golden Gate Avenue, Mail Box 36099, San  
9 Francisco, CA 94102. They will be deposited to the Court's  
10 Registry, to be held in interest-bearing account, subject to  
11 withdrawal in accordance with further order of the court and  
12 with the court's normal procedures for the disbursement of funds  
13 from the Court's Registry. See FRBP 7067.

14 The court is aware of the possible adverse tax consequences  
15 this may involve, but those are natural consequences that follow  
16 from the decision made years ago to provide them for the  
17 purposes they were put there in the first place.

18 It will also abstain and grant relief from stay for  
19 determination in the probate court as to all issues presented in  
20 the Sequestration Order and regarding the other assets and  
21 dismiss the above captioned Consolidated Adversary Proceeding.

22  
23 \*\*END OF MEMORANDUM DECISION\*\*  
24  
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26  
27  
28